



**Organization for Security and Co-operation in Europe
Economic Forum (Senior Council)**

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Conference Services

FOURTEENTH MEETING OF THE ECONOMIC FORUM: PART I

Vienna, 23 and 24 January 2006

SUMMARY

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562nd Plenary Meeting

PC Journal No. 562, Agenda item 7

**DECISION No. 684
THEME, FORMAT AND ORGANIZATIONAL MODALITIES
FOR THE FOURTEENTH ECONOMIC FORUM**

23 and 24 January 2006 and 22 to 24 May 2006

The Permanent Council,

Pursuant to paragraphs 21 to 32 of Chapter VII of the Helsinki Document 1992, paragraph 20 of Chapter IX of the Budapest Document 1994, the OSCE Strategy Document for the Economic and Environmental Dimension of 2 December 2003 and Ministerial Council Decision No. 10/04 of 7 December 2004,

Recalling, among others, previously agreed commitments to make the Economic Forum more dynamic through a change in format and to increase its effectiveness by an improved preparatory process and an effective procedure for ensuring follow-up of its deliberations, while remaining within the existing budgetary practice,

Taking into account the Chairperson's Summary of the Thirteenth Meeting of the Economic Forum,

Decides that,

1. The theme of the Fourteenth Economic Forum will be "Transportation in the OSCE area: Secure transportation networks and transport development to enhance regional economic co-operation and stability".
2. The Fourteenth Economic Forum will be held over a period of five days, broken down as follows and without setting a precedent for future Economic Fora:
 - 2.1 On 23 and 24 January 2006 in Vienna;
 - 2.2 From 22 to 24 May 2006 in Prague.

Moreover, taking into account its tasks, the Economic Forum will review the implementation of commitments in the economic and environmental dimension. The review to be integrated in the Prague segment of the Economic Forum will address transport-related commitments with a particular focus on international legal instruments, with a view to seeing how the OSCE could promote their wider acceptance and implementation.

3. Discussions of the Forum should benefit from input provided by other OSCE bodies and relevant meetings, including two conferences outside Vienna, and deliberations in various international organizations.
4. Moreover, taking into account its tasks, the Economic Forum will discuss ongoing and future activities for the economic and environmental dimension, in particular the work in implementing the OSCE Strategy Document for the Economic and Environmental Dimension.
 - 4(a). The 2006 Chairmanship intends to organize a meeting or special session over the course of the year to review implementation of OSCE commitments to combat terrorist financing, as elaborated in PC.DEC/487 (11 July 2002) and PC.DEC/617 (1 July 2004).
5. The participating States are encouraged to be represented at a high level, by senior officials responsible for shaping international economic and environmental policy in the OSCE area. Participation of representatives from the business and scientific communities as well as other relevant actors of civil society in their delegations would be welcome.
6. As in previous years, the format of the Economic Forum should provide for the active involvement of relevant international organizations and encourage open discussions.

The following international organizations, international organs, regional groupings and conferences of States are invited to participate in the Fourteenth Economic Forum: Adriatic and Ionic Initiative; Asian Development Bank; Barents Euro-Arctic Council; Black Sea Economic Co-operation; Central Asian Co-operation Organization; Central European Initiative; Commonwealth of Independent States; Council of the Baltic Sea States; Council of Europe; Danube Commission; Economic Co-operation Organization; Energy Charter Treaty; Eurasian Economic Community; European Bank for Reconstruction and Development; European Environment Agency; European Conference of Ministers of Transport (ECMT); European Investment Bank; GUAM; Intergovernmental Commission TRACECA; Intergovernmental Organization for International Carriage by Rail; International Atomic Energy Agency; International Civil Aviation Organization (ICAO); International Labour Organization; International Maritime Organisation; International Monetary Fund; International Organization for Migration; Interstate Council of the Central Asian Economic Union (CAEU); North Atlantic Treaty Organization; Organisation for Economic Co-operation and Development; Intergovernmental Organisation for International Carriage by Rail (OTIF); Organization of the Islamic Conference; Organization for Co-operation of Railways; Collective Security Treaty Organization; Secretariat of the United Nations Framework Convention on Climate Change; Shanghai Co-operation Organization; Southeast European Cooperative Initiative; South-East European Cooperation Process; South Eastern Europe Transport Observatory; Stability Pact for South Eastern Europe; UN Commission on International Trade Law (UNCITRAL); United Nations Conference on Trade and Development; United Nations Development Programme; United Nations Economic Commission for Europe (UNECE); United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP); United Nations Educational, Scientific and Cultural Organization; United Nations Environment Programme; United Nations Human Settlements Programme; United Nations Industrial Development Organization; United Nations Office on

Drugs and Crime; United Nations Population Fund; United Nations Special Programme for the Economies of Central Asia (UN SPECA); World Bank Group; World Customs Organization; World Health Organization; World Tourism Organization; World Trade Organization and other relevant organizations.

7. The Mediterranean Partners for Co-operation (Algeria, Egypt, Israel, Jordan, Morocco and Tunisia) and the Partners for Co-operation (Afghanistan, Japan, Mongolia, the Republic of Korea and Thailand) are invited to participate in the Fourteenth Economic Forum.

8. Upon request by a delegation of an OSCE participating State, regional groupings or expert academics and business representatives may also be invited, as appropriate, to participate in the Fourteenth Economic Forum.

9. Subject to the provisions contained in Chapter IV, paragraphs 15 and 16, of the Helsinki Document 1992, the representatives of non-governmental organizations with relevant experience in the area under discussion are also invited to participate in the Fourteenth Economic Forum.

10. In line with the practices established over the past years with regard to meetings of the Economic Forum and their preparatory process, the Chairperson of both meetings of the Economic Forum will present summary conclusions and policy recommendations drawn from the discussions. The Economic and Environmental Subcommittee of the Permanent Council will further include the conclusions of the Chairperson and the reports of the rapporteurs in its discussions so that the Permanent Council can take the decisions required for appropriate policy translation and follow-up activities.



**Organization for Security and Co-operation in Europe
Economic Forum (Senior Council)
Vienna**

14-EF(SC).JOUR/1
23 January 2006
Annex

Original: ENGLISH

First Day of the Fourteenth Meeting
14-EF(SC) Journal No. 1, Agenda item 1

**AGENDA AND WORK PROGRAMME OF THE
FOURTEENTH MEETING OF THE ECONOMIC FORUM: PART I**

**Transportation in the OSCE area: Secure transportation networks
and transport development to enhance regional
economic co-operation and stability**

Vienna, 23 and 24 January 2006

1. Opening session (open to the press)
 - (a) Welcoming remarks by the Chairperson of the Economic Forum
 - (b) Welcoming remarks by the Secretary General of the OSCE
2. Plenary Session I: The role of transport in fostering economic integration at the pan-European level as well as between Europe and Asia
3. Plenary Session II: Obstacles and challenges to transport development — the OSCE's role
 - (a) The co-ordination and governance challenges
 - (b) The financing and environmental sustainability challenges, and the special problems of landlocked countries
4. Panel Discussion I: Regional perspective: South-Eastern Europe (SEE) — How the Stability Pact has become a catalyst for regional co-operation in transport, and the lessons for the OSCE
5. Panel Discussion II: Regional perspective: Central Asia and Euro-Asian transport links — How can political dialogue on transport issues and concrete projects in the transport sector under OSCE auspices contribute to regional co-operation and security?
6. Panel Discussion III: OSCE political dialogue and unresolved transport issues in the South Caucasus region and in Eastern Europe

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7. Closing session (open to the press): The OSCE role in transport development, enhancing regional economic co-operation and stability — the way ahead
- (a) Closing remarks by the Co-ordinator of OSCE Economic and Environmental Activities
 - (b) Concluding remarks by the Chairperson of the Economic Forum
 - (c) Discussion

Work Programme

Working hours: 9 a.m. – 12.30 p.m.
2.30 – 6 p.m.

	Monday 23 January 2006	Tuesday 24 January 2006
Morning	Items 1, 2	Items 4, 5
Afternoon	Item 3	Items 6, 7

ANNOTATED AGENDA OF THE FOURTEENTH MEETING OF THE ECONOMIC FORUM: PART I

Transportation in the OSCE area: Secure transportation networks and transport development to enhance regional economic co-operation and stability

Vienna, 23 and 24 January 2006

Monday, 23 January 2006

9–9.20 a.m. Opening session

Welcoming remarks by:

- Senator Pierre Chevalier, Chairperson of the Economic Forum, Special Envoy of the Belgian Minister for Foreign Affairs for the OSCE Chairmanship
- Mr. Marc Perrin de Brichambaut, Secretary General of the OSCE

9.20–10.30 a.m. Plenary Session I: The role of transport in fostering economic integration at the pan-European level as well as between Europe and Asia

Moderator: Ambassador Bertrand de Crombrughe, Head of the Permanent Delegation of Belgium to the OSCE

Rapporteur: Mr. Alexander Verbeek, Permanent Representative of the Netherlands to the OSCE

Keynote addresses by:

- Mr. Johannes Linn, Executive Director, Wolfensohn Initiative, Brookings Institution, former Vice President of the World Bank: The new impetus towards economic integration between Europe and Asia
- Mr. José Capel Ferrer, Director, Transport Division, UNECE: UN work on transport corridors and conventions
- Mr. Edgar Thielmann, Head of Division, DG TREN, European Commission: The final report of the High-Level Group (de Palacio Group) on the extension of the major trans-European transport axes to the neighbouring countries and regions, with particular reference to the CIS countries and to the security dimension

Discussion

- 10.30–11 a.m. Coffee break
- 11 a.m.–12.30 p.m. Plenary Session I: Continuation of the discussion
- 12.30–2 p.m. Lunch break
- 2.30–4 p.m. Plenary Session II: Obstacles and challenges to transport development
— the OSCE's role

(a) The co-ordination and governance challenges

Moderator: Ambassador Yves Doutriaux, Head of the Permanent Delegation of France to the OSCE

Rapporteur: Ms. Blažka Kepic, Permanent Delegation of the Republic of Slovenia to the OSCE

Keynote addresses by:

- Mr. Daniel Kaufmann, Director, Global Programmes, World Bank Institute: How to combat corruption and enhance governance in the transport sector
- Mr. Jack Short, Secretary General, European Conference of Ministers of Transport (ECMT): How the ECMT helps the Ministers of Transport to address new challenges at t- Pan-European level and how the OSCE could play a complementary role

Discussion

- 4–4.30 p.m. Coffee break
- 4.30–6 p.m. Plenary Session II: Obstacles and challenges to transport development
— the OSCE's role
- (b) The financing and environmental sustainability challenges and the special problems of landlocked countries

Moderator: Mr. Johannes Linn, Executive Director, Wolfensohn Initiative, Brookings Institution, former Vice President of the World Bank

Rapporteur: Ms. Karla Basselier, OSCE Chairmanship Unit, Ministry of Foreign Affairs, Belgium/OSCE Chairmanship

Keynote addresses by:

- Ambassador Anwarul K. Chowdhury, UN Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States: The Almaty Declaration and the Almaty Programme of Action — how regional co-operation can reduce the cost disadvantage of being land-locked and contribute to stability
- Mr. Riccardo Puliti, Director, Transport Department, EBRD: Under what conditions can Public-Private Partnerships alleviate the funding constraint on transportation investments in the OSCE area?
- Mr. Kanat Baigarin, Head of the Co-ordination Centre on Climate Change, Kazakhstan: How can the needs for transport development and environmental sustainability be reconciled?

Discussion

6.30 p.m. Reception hosted by the Belgian Chairmanship of the OSCE — Palais Pallavicini (1. Bezirk, Josefsplatz 5)

Tuesday, 24 January 2006

9–10.30 a.m. Panel Discussion I: Regional perspective: South-Eastern Europe (SEE)
— How the Stability Pact has become a catalyst for regional co-operation in transport, and the lessons for the OSCE

Moderator: Ambassador Christian D. Falkowski, Head of Delegation of the European Commission to the OSCE

Rapporteur: Ms. Helen Santiago Fink, Senior Economic Affairs Officer, OCEEA

Introductory statements by:

- Mr. Laurent Guye, Director, Working Table II, Stability Pact for South Eastern Europe: The Stability Pact as a platform for the co-ordination of the activities of international institutions in the transport sector and as a catalyst for the negotiation among the Western Balkans countries of the Memorandum of Understanding on the Core Transport Network for the Western Balkans, signed in June 2004
- Mr. Izet Bajrambasic, Assistant Minister of Communications and Transport, Bosnia and Herzegovina, Chair of the Steering Committee for Transport Co-operation in the Western Balkans: The co-ordination of transport investments in the Western Balkans

- Dr. Ing. Aldo Fumagalli Romario, Chairman and Managing Director, “Sol”, Italy, former Deputy Chairman of Confindustria, Chairman of the South Eastern Europe Business Advisory Council: the point of view of the private sector.

Discussion

10.30–11 a.m. Coffee break

11 a.m.–12.30 p.m. Panel Discussion II: Regional perspective: Central Asia and Euro-Asian transport links — How can political dialogue on transport issues and concrete projects in the transport sector under OSCE auspices contribute to regional co-operation and security?

Moderator: Mr. Boris Frlec, Head of the OSCE Task Force, Ministry of Foreign Affairs, Slovenia

Rapporteur: Ms. Dominique Mineur, Permanent Delegation of Belgium to the OSCE

Introductory statements by:

- Mr. Sergey Sologybov, Adviser to the Secretary General of the Eurasian Economic Community (EURASEC)
- Mr. Paul Guitink, Senior Transport Specialist, World Bank: World Bank sponsored Trade and Transport Facilitation Programme in Central Asia and the World Bank report on liberalization of the aviation sector in Central Asia

Discussion

12.30–2.30 a.m. Lunch break

2.30–4 p.m. Panel Discussion III: OSCE political dialogue and unresolved transport issues in the South Caucasus region and in Eastern Europe

Moderator: Mr. José Capel Ferrer, Director, Transport Division, UNECE

Rapporteur: Mr. Luis Francisco Martinez Montes, Permanent Delegation of Spain to the OSCE

Introductory statements by:

- Mr. Bernard Snoy, Co-ordinator of OSCE Economic and Environmental Activities: Issues paper on conflict and transport in South Caucasus
- Mr. William Hanlon, Economic and Environmental Officer, OSCE Mission in Georgia: Reports on needs assessment studies underway in regions affected by conflicts

Discussion

4–4.30 p.m.

Coffee break

4.30–6 p.m.

Closing session: The OSCE role in transport development, enhancing regional economic co-operation and stability — the way ahead

- Closing remarks by Mr. Bernard Snoy, Co-ordinator of OSCE Economic and Environmental Activities
- Concluding remarks of the Chairperson of the Economic Forum

Discussion

CLOSING REMARKS BY THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES

Mr. Chairman,
Ladies and Gentlemen,

After two days of intense deliberations, I am pleased to welcome you to the closing session of the first part of the Fourteenth Meeting of the OSCE Economic Forum.

First of all, I would like to express my thanks to the speakers and moderators who facilitated our discussions and also to all the representatives of delegations to the OSCE and guests from capitals present today. The Economic Forum is and should be a joint effort, and it is due to your active participation, the questions you raised, the comments and suggestions you made, and the ideas you put forward that this Economic Forum has been a success.

I sincerely believe that our meeting has achieved its main objective. We are now closer to defining the role of the Organization in the area of transport and to identifying concrete activities to be pursued than we were at the beginning of the process. There is, of course, still a long way ahead of us but my perception is that we are moving in the right direction.

When we started the preparatory process, many delegations rightly asked what added value the OSCE could bring to the area of transport, given that many other organizations with greater expertise were already involved in this field.

The preparatory conference in Dushanbe contributed a lot to addressing these concerns and on the basis of the suggestions stemming from that meeting, my office, in close co-operation with the Belgian Chairmanship, prepared a paper on the role of the OSCE in addressing transport-related issues in the context of the Fourteenth Meeting of the Economic Forum.

As the Chairmanship will mention in its closing statement, we have been able to identify a number of areas in which the OSCE could make a contribution through its activities. These areas and activities include: the implementation of existing commitments in the area of transport, such as relevant United Nations Economic Commission for Europe (UNECE) conventions; the promotion of good governance in the area of transport, for example by addressing non-physical barriers to transport; the reconciliation of transport development and environmental concerns; the specific needs of landlocked countries, particularly as concerns transit transport and the need to facilitate border-crossing; and the potential contribution to conflict resolution of initiatives in the area of transport to conflict resolution .

After discussing these issues at a political level in the framework of the Economic Forum over the last two days, I feel encouraged to continue working, together with our partners, in the above-mentioned areas. We have derived great benefit from the views of keynote speakers from such international organizations as the UNECE and other UN agencies, the European Commission, the Eurasian Economic Community (EURASEC), the Stability Pact for South Eastern Europe, the European Conference of Ministers of Transport,

the World Bank and the European Bank for Reconstruction and Development (EBRD) and likewise from the endorsement and comments we have received from delegations.

We have received a number of suggestions and the key question we have to answer now context is no longer “what to do” but “how to do it”.

My office will therefore elaborate a number of activities and pilot projects in the above mentioned areas, which will be presented at the second part of the Economic Forum in Prague in May. These will include a pilot project on the implementation of existing transport-related conventions in close co-operation with the UNECE Transport Division, capacity-building and training initiatives, and initiatives for regional events aimed at improving regional and subregional co-operation in the area of transport. We hope that we will be able to start implementing some of these activities in the second half of the year, if funding is available.

During the Forum, several delegations mentioned positive examples of co-operation and effective transport-related policies. My office stands ready to facilitate exchanges of experiences, best practices and information among interested participating States.

The issue of transport security was also touched upon, and recommendations were made regarding the OSCE’s role in aviation security, port control mechanisms, urban transport security and the protection of critical transport infrastructure. On 16 and 17 March, in Baku, we will discuss in detail issues related to transport security, and hope to be able to follow this up with proposals regarding the possible OSCE contribution in this field.

In this context, I am pleased to draw your attention to the Tentative Agenda of the Baku Conference, which was circulated today under the reference number SEC.GAL/11/06.

My office is also co-operating very closely with the OSCE’s Action Against Terrorism Unit (ATU) on a workshop on urban transport security, scheduled to be held in Vienna in May.

My office will also consult with the OSCE’s Environment and Security Initiative (ENVSEC) partners regarding the integration of transport concerns into the identification and assessment of environment and security hotspots. ENVSEC is for example providing assistance to some Central Asian countries regarding the analysis and prevention of natural disasters, and we might think of integrating transport routes into this analysis.

Before concluding, I would like to stress the importance I attach to the contribution of the OSCE field presences. I am glad that many economic and environmental officers participated in the Forum. My office is constantly in touch with them and I am looking forward to their follow-up ideas in the area of transport. Their knowledge and expertise is invaluable to us.

Let me finally thank all those who have worked hard behind the scenes to make this Forum a success: the Belgian Chairmanship, Conference Services, the rapporteurs for each session, the interpreters, and the staff of my office. I wish you all a good and safe trip home, what mode of transport you may be using.



**Organization for Security and Co-operation in Europe
Economic Forum (Senior Council)
Vienna**

14-EF(SC).JOUR/2
24 January 2006
Annex

Original: ENGLISH

Second Day of the Fourteenth Meeting
14-EF(SC) Journal No. 2, Agenda item 7(b)

CONCLUDING REMARKS BY THE CHAIRPERSON OF THE ECONOMIC FORUM

Transportation in the OSCE area: Secure transportation networks and transport development to enhance regional co-operation and stability

Excellencies,
Ladies and Gentlemen,

To paraphrase a sentence heard several times these two days, the OSCE is here to build bridges: not literal bridges, but bridges between policy-makers, governments, international organizations, institutions and other relevant stakeholders.

This Economic Forum has brought together the best of the expertise available on transportation in the OSCE area. We heard of the impressive amount of conceptual and substantial work being done to interconnect, through transportation and communications networks, the various and diverse economies that we collectively represent. We heard in particular of the huge potential that exists if we make better use of the tools available to us and if we are successful in improving intergovernmental co-operation. We could create more prosperity, which would be conducive to more stability and security across the OSCE region. This Economic Forum has amply documented what could be done.

I would like to submit that this is a fundamental task of our Organization: to encourage policies that translate into reality the opportunities that lie open to us. One keynote speaker wondered whether policies and/or political developments would facilitate the emergence of comprehensive and efficient transportation and communications networks, or on the contrary hamper them. The choice we are to make appears obvious to me.

This Chairmanship is of the view that the OSCE has a duty to play its part. Collectively, participating States and OSCE structures and institutions — “we” in short — should strive to realize the ambitions and the projects conceived for the whole region by the United Nations Economic Commission for Europe (UNECE), the European Conference of Ministers of Transportation, the European Union, the World Bank and other international organizations and institutions. It is to be noted that the De Palacio report was widely greeted with enthusiasm. We should feel encouraged and should work harder to bring about a favourable political climate and the necessary political will. It would be to the benefit of that

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stable, secure and indeed prosperous environment that it is the OSCE's mandate to achieve. Our task, as the OSCE, is to bring the politics of the region into harmony, so that we can actively support the plans that more expert organizations develop. By holding the prospect of these actual and concrete benefits before us, we should, by now, feel strengthened in our fundamental objectives.

Concretely, here are the proposals that we have jotted down.

OSCE leverage can be applied in the field of international legal instruments such as those adopted by the UNECE. As pointed out by Mr. Capel Ferrer, the OSCE can be instrumental in creating political will to accede to and implement conventions. A further idea is to set up a pilot project to monitor the implementation of a convention; this idea is of specific interest for the OSCE, given its mandate. We suggest that the Office of the Co-ordinator could elaborate a project proposal, in close co-operation with the transport division of the UNECE.

Other activities to be undertaken in partnership with the UNECE could include further mobilization in support of the TEM and TER projects and of better Euro-Asian links. Ideas put forward related, among other things, to capacity-building. They could be pursued.

Excellencies,
Ladies and Gentlemen,

There are areas in the OSCE that suffer from protracted conflicts. These have a complex history and confront our Organization with hard core issues. The obstacles encountered and the suffering of the people generate a willingness to undertake initiatives, which with the consent of the parties could help dilemmas to be overcome and open additional avenues for dialogue and co-operative opportunities. The needs assessment study initiated in South Ossetia is a case in point. Transportation figures in this work as a point of particular interest. Yet, as the study of the Co-ordinator "Transportation Development in the Southern Caucasus" suggests, transportation may have wider relevance in the region.

During this Forum, participants seemed to agree that much remains to be done in the field of good governance. Economic and commercial structures are sometimes not adequate to prevent corruption. In one of the presentations, it was suggested that there was a link between corruption and security of transports. Another focused on the role of the private sector and the need for public-private co-operation. We believe that the OSCE should continue its efforts to promote good governance along the lines of the Strategy document adopted in Maastricht in 2003.

It was further evident from many presentations and interventions that the importance of border transition and customs procedures, so-called "horizontal issues", should not be underestimated. Several references were made to the recently adopted Border Security and Management Concept of the OSCE. Indeed, our work on transport is a perfect setting to translate this concept into reality.

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Annex (continued)

Excellencies,
Ladies and Gentlemen,

This Forum should serve as a model for stimulating our co-operation with other international organizations, which can arguably be deepened and strengthened further. In this vein, we welcome the proposal made by the European Commission that we should become involved in the so-called Baku process and would propose pursuing this actively.

The specific difficulties encountered by landlocked developing countries, which are quite numerous in the OSCE, have been emphasized. Again, we believe that the OSCE should strive to add value to the existing UN framework offered by the Almaty Programme of Action. We suggest accepting the invitation of Ambassador Chowdury, UN Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing Countries, to further explore ways for co-operation, and to present our common suggestions at our Economic Forum in May.

The importance of transit transportation has been highlighted by Minister Abdurakhim Ashurov, Minister for Transport of the Republic of Tajikistan. We commend the Tajik government for the idea of setting up a conference on a transit strategy for Central Asia and express our support for the objectives pursued by this proposal.

Special attention should equally go to the environmental impact of transport development and vice versa, including reflections on the choice of transport modes. Within the environmental dimension of the OSCE, support to Aarhus Centres should be intensified. They are necessary to raise awareness and develop civil society involvement in preparing to assess the environmental impact of proposed national and regional transport projects.

Excellencies,
Ladies and Gentlemen,

This Forum has proven to be a valuable occasion for political dialogue on transport-related issues. The upcoming preparatory conference in Baku and the second part of the Forum will create further momentum and, we hope, also prove to be decisive for more and better co-operation.

Belgium proposes that between now and Prague we seek to focus our discussion further. We will co-operate closely with Mr. Snoy and his team to develop the document of 15 December 2005 (SEC.GAL/251/05) on the OSCE's political work in addressing transport-related issues.

This should include both an overview of the existing instruments and pro-active thinking on possible mechanisms for the future. The co-operation model exemplified in the Environment and Security Initiative could prove useful. Could we talk of a "Transport and Security Initiative"? Alternatively, the model of the Stability Pact could inspire further reflections. The idea, still preliminary and tentative, is to find a soft mechanism based on voluntary participation, where stakeholders can "compare their notes", exchange best

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practices, and discuss ways to overcome persistent impediments in the field of transportation. It could also encompass programmes or projects in the area of capacity-building.

The proposed food-for-thought paper could outline objectives, propose alternatives in organizational design, and include a description of available resources, linking them with existing instruments at our disposal such as the Secretariat, the field presences and the Economic and Environmental Subcommittee.

Excellencies,
Ladies and Gentlemen,

The Chairmanship stands ready to work with you on these issues.

We thank the keynote speakers, the moderators and the delegations for their active participation and for the many useful suggestions made during these two days. Our thanks are also due to our Co-ordinator Bernard Snoy and his team for the outstanding preparatory work done and for the excellent organization of the meeting.

We would finally like to thank Conference Services and the interpreters for having supported us so well during these two days.

**TRANSPORTATION IN THE OSCE AREA:
SECURE TRANSPORTATION NETWORKS AND TRANSPORT
DEVELOPMENT TO ENHANCE REGIONAL ECONOMIC
CO-OPERATION AND STABILITY**

23 January 2006

Report of the Rapporteur

Agenda item 2: The role of transport in fostering economic integration at the pan-European level as well as between Europe and Asia

Mr. Johannes Linn focused his presentation on the integration of the large economic space of the Eurasian continent into the worldwide globalization process. He said that regional and global institutions could play an important role in supporting that integration process, including the improvement of cross-continental linkages. The end of the cold war, the opening up of China and the transition to a market economy had led to a dynamic integration process. In that process China, India, the Russian Federation and an expanding EU had become integrated with each other as well as with the rest of the world. He highlighted the intensification of transcontinental linkages in the fields of energy trade, non-energy trade, investment and capital flows and communication and knowledge. Competition for energy resources and long-standing political tensions might complicate the integration process, but much could be gained from further integration and political co-operation. He outlined various policies that could contribute to a favourable development process and indicated what role a number of international organizations could play in that process.

Mr. José Capel Ferrer gave an overview of the work by the United Nations on transport conventions (EF.IO/05/06) and corridors. The development of efficient Euro-Asian inland transport routes would provide credible alternatives to maritime transport. They would also be a major strategic tool for the development and integration of countries in the Euro-Asian region. An essential element for the establishment of better transcontinental links was the acceptance and implementation of the agreements and conventions on transport that had been developed in the framework of the UN Economic Commission for Europe. Those conventions dealt with the technical conditions for transport and regulations on safety, security and environmental protection, as well as secure border procedures and controls. Mr. Ferrer also spoke on the Trans-European North-South Motorway (TEM) and Trans-European Railways (TER) master plan, which identified the backbone road and rail network in 21 Central and South-Eastern European countries and elaborated a strategy to develop them.

Mr. Edgar Thielmann presented the work of the high level group on the extension of the major trans-European transport axes to the neighbouring countries and regions. The group had presented recommendations to the European Commission. A first set of recommendations dealt with the development of five major transport axes and projects relating to those axes. A second set of recommendations was on horizontal measures, e.g., border control procedures, navigation systems, security measures and maritime transport. The third set of recommendations dealt with the implementation of the proposed measures along

the major axes. The Commission would assist and provide technical assistance to the countries concerned under the existing instruments for co-operation. Regional workshops on financing would be held. Twinning programmes with member States' expertise would be developed.

In the discussion period, the decision to split the Economic Forum into two parts and to organize the first part in Vienna was repeatedly welcomed. It was noted that the new planning allowed for better scheduling of expert meetings, to be followed by a meeting with a more political content (building bridges between policy makers and experts). The growing role of the economic dimension within the OSCE was also welcomed in the context of the OSCE-wide debate on reform and the rebalancing of the dimensions. The theme of transport was welcomed by several delegations and they expressed the hope that the meetings would produce concrete results. The role of transport in enhancing economic relations and resolving conflicts was mentioned. It was noted that the OSCE should not develop new instruments, but it should support the acceptance and implementation of existing instruments.

Specific areas for possible OSCE action

- The OSCE could serve as a catalyst of transcontinental analysis, monitoring of dialogue and networking.
- The OSCE could encourage participating States to accede to and implement the UNECE conventions on transport (EF.IO/05/06), as well as to participate in UNECE work on TEM and TER and on Euro-Asian transport links.
- By combining the OSCE's political support and wide field presence with the UNECE's expertise on transport, the two organizations could co-operate in the implementation of selected conventions, for instance by launching a "pilot" project for one convention. This could include joint monitoring activities and the organization of joint training seminars or other capacity-building activities.
- The OSCE could help the UNECE to raise funds for the continuation of the Euro-Asian transport links project.
- The OSCE could participate on an *ad-hoc* basis in existing working groups of the European Commission, in particular those of the Baku process.
- The OSCE could co-operate with the European Commission in the field of security of transport, especially aviation security (including airport control schemes), port control mechanisms, urban transport security measures and the protection of critical transport infrastructure.
- The OSCE could complement the work taking place in other international organizations, for instance, by promoting an exchange of information on horizontal issues. The Organization could also play a supportive role in the implementation of regulations, but should not take a leading role as an operational entity that develops and implements economic integration programmes and projects on the ground.

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**Agenda item 3: Obstacles and challenges to transport development —
the OSCE's role**

(a) The co-ordination and governance challenges

In this session, presentations were given on governance challenges and corruption that represented major obstacles and challenges to transport development, with a special focus on the possible role of the OSCE in that respect.

Mr. Jack Short briefly presented the role and the work of the European Conference of Ministers of Transport (ECMT). The importance of transport for the societies and economies was outlined. About 6 per cent of jobs were in the transport sector (10 million transport jobs in the EU), which also accounted for between 6 and 8 per cent of GDP and up to 40 per cent of public investments. Although considerable progress had been made and transport today was faster, safer, cleaner and cheaper than it had ever been, there were still a number of problems and challenges ahead. Several challenges for the future were presented, i.e., implementation of existing agreements, and the need for measures that worked together, for a view that went beyond short-term political horizons, for more integrated services and institutions, for more consultations with users, for better co-ordination of infrastructure planning, for improvement of assessment methods for investment, etc. Several ideas/opportunities for co-operation were mentioned: emphasizing the importance of transport (the OSCE could help by raising awareness); increasing international co-ordination in infrastructure planning at the regional level; focusing on border crossings/management, visas for professional drivers and transport security; reducing crime in road transport and corruption (customs, traffic police, etc).

Mr. Daniel Kaufmann focused in his presentation on governance and corruption as challenges to the development of transport. The challenges related to governance and corruption were very different. Governance and the rule of law at the national level were crucial for effective national and transnational transportation. Some other major constraints were listed, e.g., road police, road banditry, customs, permits and licensing constraints, aviation and security. Strategy required the integration of country-wide, sector-wide, institutional and project-level reforms. The cost of inaction was reflected in less competitiveness and less foreign direct investment. Corruption posed a very serious challenge in the road sector (investments). In order to reduce corruption, it was important to focus on understanding corruption risks, introducing systemic reforms and adopting capacity-building measures, and to bear in mind not only procurement, but all stages of implementation, the political dimension, empowerment of civil society and oversight, etc. Trade/regulatory and institutional reforms included trade liberalization, lowering of excessive tax/tariff rates, their

simplification (uniform rates), reduction of red tape, customs modernization programmes, the use of new technologies, professionalization and compensation, quality of leadership, as well as the implementation of systemic anti-corruption programmes. It was noted that there was a link between corruption, security and transport.

In the discussion, it was mentioned that the Economic Forum should urge participating States to engage in dialogue, and that the OSCE, by providing support, could help international organizations to become more effective (e.g., political support for the UNECE conventions). Concerning non-physical barriers, it was noted that there was a role for the OSCE to play in bringing about agreements on transit (very important to move goods more efficiently) and ensuring safety and security (i.e. training and sharing of best practices). Border crossing/border management was mentioned as an important area for the OSCE (implementation of the Border Security Management Concept (BSMC) adopted at the Ministerial Council meeting in Ljubljana). Trafficking was mentioned as one of the negative aspects of transportation; the OSCE should continue playing its role in combating it. The transport and cross-border collaboration and initiatives between Canada and the United States of America were presented. In that connection, it was mentioned that promotion of trust and co-operation was an important role for the OSCE. It was furthermore stressed that it was not up to the OSCE to set standards, but rather to facilitate their implementation (e.g., by sharing best practices, exchanging of experiences, developing pilot projects adapted to local situations). Improving governance and combating corruption and crime linked to transport were mentioned as areas to be dealt with within the OSCE.

Concerning the role of the OSCE, the need to be modest and realistic was also mentioned. The OSCE was not seen as a suitable forum for discussing visas and visa regimes.

Specific areas for possible OSCE action

- The OSCE could encourage the ratification and support/facilitate the implementation of relevant UNECE conventions.
- The OSCE could strengthen its work on good governance and action to fight corruption by supporting efforts of the participating States in the area of good governance and the fight against corruption (e.g., promotion of the OSCE handbook on fighting corruption) and by adapting this fight to the specific features of the transport sector, both for the procurement and the operation of relevant infrastructure.
- The OSCE could add value in the field of security of transport (e.g., fight against terrorism, organized crime, trafficking in human beings, drugs and SALW, as well as promotion of safety in the various transport modes, etc.).
- The OSCE could develop pilot projects supporting co-ordination between countries and different institutions (customs, traffic police, etc.), facilitating cross-border co-operation, etc.
- The OSCE could play a catalytic role between national and international actors (special focus at the subregional level).
- The OSCE could promote modern border management (implementation of the BSMC adopted in Ljubljana).

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**Agenda item 3: Obstacles and challenges to transport development —
the OSCE's role**

**(b) The financing and environmental sustainability challenges and the special
problems of landlocked countries**

In this session, presentations were given on existing obstacles and challenges to the development of transport. Specific attention was paid to the particular situation of landlocked countries.

Mr. Anwarul Chowdhury explained how the UN Almaty Programme of Action functioned.

In 2003, the United Nations had convened a Ministerial Conference of Landlocked and Transit Developing Countries, which had resulted in the Almaty Programme of Action. The goal of the Programme was to forge partnerships to establish a new global framework for action to establish efficient transit transport systems in landlocked and transit developing countries.

The Programme of Action aimed to (a) secure access to and from the sea by all means of transport; (b) reduce costs and improve services so as to increase the competitiveness of countries' exports; (c) reduce the delivered costs of imports; (d) address problems, delays and uncertainties in trade routes; (e) develop adequate national networks; (f) reduce loss, damage and deterioration en route; (g) open the way for export expansion; and (h) improve the safety of road transport and the security of people along the corridors.

To achieve those goals, the Almaty Programme of Action identified specific actions in five priority areas, namely, fundamental transit policy issues; infrastructure development and maintenance, including rail, road, air transport, inland waterways, ports, pipelines and communications; international trade and trade facilitation; international support measures; and implementation and review of the Programme itself.

Mr. Chowdhury believed that the Almaty Programme of Action provided an excellent framework for co-operation with the OSCE. The UN was to articulate a set of indicators to monitor the progress in transit transport. He was of the opinion that that could be one of the areas for co-operation with the OSCE.

Mr. Riccardo Puliti explained how public-private partnerships (PPPs) worked. The European Bank for Reconstruction and Development used PPPs as one of the investment tools to help build market economies and democracies in Central Europe and Central Asia. PPPs were legal agreements which aimed to share risks and to develop long-term partnerships, building on an operational working scheme. He pointed out the importance of such instruments, which required strong co-operation and an agreement between a particular government and some private investors.

PPPs were difficult to implement because they depended on the existence of a strong political will. Therefore, they could only be successful if a stable, pertinent legal system and good governance were achieved. Public-private partnerships required governmental transparency.

He was of the opinion that, in the field of good governance, much still remained to be done.

The OSCE could, under its mandate relating to good governance, foster political dialogue and introduce confidence-building measures so that stable and adequate PPPs could be established.

Mr. Kanat Baigarin pointed out that, when discussing the transportation theme, the OSCE must always bear in mind the linkage with local environmental security and sustainability. There was a direct link between the development of transport and sustainable environmental development.

Specific areas for possible OSCE action

- The Almaty Programme of Action provides an excellent framework for co-operation. The 2005 World Summit requested that a set of indicators to monitor the progress in transit transport should be elaborated. The United Nations Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is ready to start consultations with the OSCE on the details of the framework for collaboration.
- The OSCE also must use its platform of dialogue and co-operation to draw the attention of the donor community to the need not to bypass landlocked countries while discussing the facilitation of transport.
- The OSCE could, under its mandate relating to good governance, provide political dialogue and introduce confidence-building measures so that stable and adequate PPPs could be established.
- There is a direct link between the development of transport and sustainable environmental development. When discussing the transportation theme, the OSCE must always bear in mind the linkage with local environmental security and sustainability.

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**Agenda item 4: Regional perspective: South-Eastern Europe (SEE) —
How the Stability Pact has become a catalyst for regional co-operation in
transport, and the lessons for the OSCE**

Mr. Laurent Guye, Director, Working Table II, Stability Pact for South Eastern Europe, outlined the role of the Stability Pact in helping the region to create a co-operation framework to address its transportation needs. Issues to be addressed included among others repair of war damage, enhancement of road networks, waiting times at borders, unpredictable customs services, maintenance, investment and financing. A memorandum of understanding signed in 2004 by Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, the former Yugoslav Republic of Macedonia, the UNMIK and the European Commission, despite not being a legally binding document, provided a firm political commitment by the signers to co-operate in improving the transport infrastructure and incorporating it into the pan-European network. Under the memorandum, the South-East Europe Transport Observatory (SEETO) <http://www.seetoint.org/> had been established to promote development of the core regional network.

Priority-setting based non-political factors continued to be a challenge. Inadequate collection of technical data and lack of proper criteria coupled with a prevalence of national rather than regional thinking further complicated the effort. Strategic planning based on good data supported by co-operation between donors and international financial institutions was important.

Limited public budgets made private investment indispensable. Public-private partnerships (PPPs) were encouraged, but their establishment could be a long and complex process, requiring strong government commitment and instruments such as guarantees. The SEETO office in Sofia was available to lend assistance in such PPP development projects.

Mr. Izet Bajrambasic, Assistant Minister of Communications and Transport, Bosnia and Herzegovina, Chair of the Steering Committee for Transport Co-operation in the Western Balkans, underscored the value of the regional co-operation model (developed by the EU) for SEE and its potential value for other OSCE regions. The model based on the memorandum of understanding signed by transport and communication ministers in June 2004 aimed to accelerate economic development and establish closer economic and social ties among the countries of the western Balkans, co-operation on the development of the main core transport network (including reconstruction, rehabilitation, upgrading and new construction) and assistance in promoting integration among the countries concerned as well as with countries in neighbouring regions and the EU. Furthermore, the memorandum promoted increased co-operation in regard to regulatory and administrative procedures with a view to improving

the transit and intra-regional traffic flows, investment programmes in the region and the harmonization and standardization of procedures in relation to the EU.

To achieve those objectives, it would be necessary to compile an inventory of infrastructure of the core network as well as related technical data, to develop a multi-year plan, including an investment plan, and to reach agreement through bilateral and multilateral discussions on improving conditions at border crossings. The greatest number of priority projects had been identified in the road and rail sectors based on criteria including regional interest, feasibility and sustainability of the project and level of financing.

Mr. Aldo Fumagalli Romario, Chairman and Managing Director, “Sol”, Italy, former Deputy Chairman of Confindustria, Chairman of the South Eastern Europe Business Advisory Council, informed the participants of the role of the Business Advisory Council (BAC) in the promotion of regional co-operation and public-private partnerships for the enhancement of foreign investment, the business climate and the welfare of the people through the provision of advice to governments, donor community and the Stability Pact.

The SEE region was fragmented and national markets were small compared to the opportunities for business and investment elsewhere. Therefore, efficient transport networks were needed to access both local and neighbouring markets in order to support existing investments and attract new capital. Regional co-operation was in turn essential to ensure that aim.

The development of transport infrastructure represented one of the largest investments in the region for the national governments, the donor community and the private sector. The road and rail sectors were positioned to receive greater amounts of investment in future. The business community was willing to invest more in the region, contingent upon adequate transport channels to bring their products to market. The development of a regional airline network to facilitate intraregional travel would be an important economic gain for the countries of the region.

Transport was enhanced not only through the development of infrastructure, but also through the simplification of procedures and their harmonization with international and European best practices. Increasing the capacities of border crossing facilities, sometimes by means of minimal efforts, could help to bring about a great improvement in transit traffic. Also, visa procedures needed to be improved in order to encourage greater economic development and investment.

Security of transport flows and actions to address corrupt practices were also essential in order to better develop the economic potential of the region, since the transport sector was an important contributor to GDP. Regional co-operation as well as co-operation between public and private actors was essential for addressing those concerns, as well as for developing economically marketable projects through public private partnerships.

The lessons learned under the Stability Pact’s Business Advisory Council, which might be applicable to the Black Sea region and others, included the creation of an infrastructure steering group responsible for project identification, development and execution and of the public-private partnership structures for targeting and implementation of policy planning.

The moderator concluded by saying that transport posed challenges for each country in the region, as well as for the countries of the EU. Nontariff barriers were also important considerations. The interconnection between transport and economic development was strong, and therefore warranted careful priority-setting, much of which would depend on further transfer of ownership to the region.

During the discussion period, the representative of the International Road Federation questioned the status of the SEETO priority project list. The representative of the Stability Pact responded that the list took into account development-based technical criteria. The representative of the World Bank Trade and Transport facilitation in Southeast Europe (TTFSE) team stated that the list of priority projects needed to be consolidated from various other lists based on discussion with other stakeholders. The role of SEETO had been important in the implementation of projects, and stronger emphasis should be placed on horizontal measures in the future.

The Japan International Co-operation Agency (JICA) stated its commitment to continue providing support for the transport needs of the region.

The Croatian representative provided information on Croatian transport activities, including the construction of a motorway along the BiH border, and underscored the importance of supporting regional co-operation to foster greater investment.

The representative of Greece highlighted the importance of border crossings and stated that, by addressing procedural and regulatory issues, for example, through better co-ordination of timetables, traffic flows could be significantly improved. The OSCE could be helpful in stimulating political dialogue and co-operation in that regard. The representative of Turkey acknowledged the co-operation between Turkey and Greece to improve transport links between the two countries and to help support Stability Pact efforts.

The representative of Austria-European Union underscored the need for spatial integration of landlocked countries to enhance peace and economic prosperity. It was important to overcome national interests, and OSCE facilitation could be valuable in that respect. Security along corridors was required if there was to be effective demand across transport networks, which would encourage needed investment.

The representative of France voiced support for the good functional system for regional co-operation developed by the Stability Pact and suggested that it could be promoted and developed by the OSCE in other OSCE regions.

The representative of the Black Sea Economic Co-operation outlined numerous activities being undertaken for the development of regional transport in that region.

Specific areas for possible OSCE action

- The OSCE, as a political umbrella and facilitator of regional co-operation, should foster the political commitment essential to meeting the transport needs of the region.
- The OSCE could play a valuable role in facilitation of political dialogue and monitoring of activities for implementation of the transport corridor committee's recommendations.

- The OSCE could promote the replication of the SEE model in other OSCE regions, in particular with regard to addressing non-physical barriers and cross border co-operation, which is key to transport development.
- The Stability Pact's Business Advisory Council model, the creation of an infrastructure steering group, public private partnership structures, etc., might be applicable to other regions, such as the Black Sea region.

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Agenda item 5: Regional perspective: Central Asia and Euro-Asian transport links — How can political dialogue on transport issues and concrete projects in the transport sector under OSCE auspices contribute to regional co-operation and security?

Mr. Sergey Sologybov presented the activities carried out within the Eurasian Economic Community (EURASEC) to develop transport corridors and transit traffic since its establishment in 2000. The agreement signed in March 2005 by the Heads of Government of the EURASEC was aimed at introducing a co-ordinated policy for the establishment and development of transport corridors in the Eurasian Economic Community. He said that once the relevant international transport corridors and routes would be identified, EURASEC intended to bring them in line with international standards by attracting foreign investment through private-public partnership. The final objective was that the EURASEC countries become a unique transit bridge linking Asian and European markets. EURASEC would therefore need to ratify a number of international agreements and take a certain number of measures, which would be in line with the goals of the OSCE Economic Forum. The EURASEC secretariat would therefore welcome technical assistance from the OSCE and the EU as well as from regional Commissions of the UN (UNECE, UNESCAP), in order to implement those measures.

Mr. Paul Guitink, representing the World Bank, stressed in his presentation that economic integration between Central Asian states could be facilitated not only by the building of transport infrastructure but more significantly by removing nontariff barriers to trade and transport. There were many problems, such as regulatory, institutional and technical constraints, which needed to be solved in order to achieve the key objective of reducing distances to markets and transaction costs. Possible solutions included harmonization of regulations, enhancement of cross-border co-operation, improvement of telecommunications, etc.

He said that the removal of non-physical barriers required political will and support at the highest levels (Ministries of Interior, Health, Foreign Affairs, etc.). A possible role for the OSCE was to focus on building and maintaining a political platform, by promoting political commitment to trade and transport facilitation. The OSCE could also act as a catalyst for dialogue, analysis and monitoring of cross-border co-operation and regional activities.

Following the panellists' statements, Mr. Jim Dehart, Deputy Director, Office of Central Asian affairs, United States Department of State, emphasized the importance of

economic co-operation in Central and South Asia and presented some United States initiatives in that regard. Their objective was to connect Afghanistan with the rest of the world and to increase the stability of the entire region. Energy was very important, mainly in view of the existing and potential resources of Central Asia. As a key transit country, Afghanistan could benefit from the North-South energy trade connecting the large Central Asia resources with South Asia. The goal was to develop a reliable transport route between Almaty and Karachi.

The OSCE could help, through the enhancement of awareness on transportation issues, to reduce the economic distance.

Mr. Nikoloz Natbiladze, Deputy Minister for Foreign affairs of Georgia, spoke about the importance of the free movement of persons across borders, which contributes to strengthening the economy and to regional prosperity. He added that Europe's future energy security depended on alternative sources of energy supplies and that was where the Black Sea and Caspian Sea regions could play an important role. In order to secure energy supply, there was also a need for stability.

The representative of the Russian Federation stressed that, although his country had already done a lot, there was still a huge potential for improvement in the transport sector. Improving transport could also strengthen the Euro-Asian ties. Russia had introduced new technology and international standards were being upgraded. The Russian Federation was also working on the Trans-Siberian railway and its modernization, in order to develop its trade with China.

A representative from Kazakhstan emphasized the importance of improving the state of transport and reduce the costs, particularly for landlocked countries. However, that should be done while keeping in mind the environmental implications. As a concrete example, the development of oil and gas reserves had seriously contaminated the Caspian Sea. The OSCE should provide the platform to overcome obstacles to transport.

Mr. Abdurakhim Ashurov, Minister for Transport of Tajikistan, emphasized the role of his country, located at the crossroads between South East Asia, the Far East and Europe. Following the discussions at the preparatory conference in Dushanbe, in November 2005, he reiterated the proposal of Tajikistan to host a conference (organized by the OSCE and other international organizations) on the prospects for development of trans-Asian and Eurasian transit transportation through Central Asia until 2015.

The Deputy Minister for Transport of Kyrgyzstan spoke about the problems of landlocked countries, such as his own, which was 2000 km away from the nearest sea. His country therefore attached great importance to the development of transit routes in Central Asia, but was facing difficulties in attracting the necessary financial resources.

The representative of Afghanistan stressed that the geographic position of Afghanistan, as a landlocked country between Central Asia and countries having access to the sea, was of strategic importance for Central Asia. It was therefore necessary to have a comprehensive approach to the economic development of the region. That was a role the OSCE and other international organizations should consider.

The International Road Federation underlined the importance of China in the context of the Silk Road (6,000 km of the Silk Road's 16,000 km are in China). China, as well as Pakistan and Iran, should therefore be included in the dialogue.

Specific areas for possible OSCE action

- The OSCE should focus on identifying ways and means to better address the need to improve transport between Asia and Europe, through Central Asia. In that context, special attention should be paid to developing concrete activities aimed at removing physical and non-physical barriers to transport and trade.
- The OSCE has to act as a catalyst for dialogue, analysis and monitoring of cross-border operations.
- The OSCE, together with partner organizations, should consider the proposal of Tajikistan regarding the organization of a conference on the prospects for development of trans-Asian and Eurasian transit transportation through Central Asia until 2015.
- The OSCE should bear in mind that its Partners for Co-operation as well as other countries (i.e. China) have an important role to play in the development of global transport.

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**Agenda item 6: OSCE political dialogue and unresolved transport issues
in the South Caucasus region and in Eastern Europe**

In this session, both the panellists' presentations and the interventions from the floor focused mostly on the role of transport networks and infrastructure in the context of the unresolved conflicts in the South Caucasus region.

The Moderator, Mr. José Capel Ferrer, Director, Transport Division, UNECE, started with a short introduction about the work being done by the UNECE and the potential synergies with the OSCE. Then he posed the following question to the panellists and participants: how could addressing transport issues in the region be instrumental to solving political problems?

Mr. Bernard Snoy, Co-ordinator of OSCE Economic and Environmental Activities, answered by delivering a presentation on "conflict and transport in South Caucasus". He said that we should look at transport from a security perspective, according to the OSCE main mandate. At the same time, the economic side of the topic must not be neglected. Apart from security and economics, the regional dimension should be taken into account when reflecting on transport in the South Caucasus. Regional co-operation, he said, could enhance the role of transport infrastructure within an economic and political perspective.

Taking into account that the South Caucasus had a great transit potential, Mr. Snoy then reflected on the costs that the conflicts in that region were inflicting on the countries concerned and on the international community as a whole. Imports and exports were negatively affected and so was the overall economy.

Up to now, Mr. Snoy further explained, the approach to the economic impact of conflicts on trade and transport had been to wait until the conflicts were solved and then to start investing and rebuilding the damaged or almost inexistent infrastructure. He stated that an alternative approach, consisting in using the development of transport as a conflict resolution tool, might also needed to be explored. By opening some transport routes one could help the conflict resolution processes in the region. In that regard, he mentioned the work done by the de Palacio high level group and its recent report on networks for peace and development, which identified transnational axes in South-Eastern Europe and the Caucasus that could be used for that purpose. After reviewing the status of some important transport links in the region, he outlined a number of alternatives concerning the role that the OSCE could play, particularly as a facilitator in confidence-building and political dialogue.

After summing up the previous presentation, the moderator gave the floor to the following speaker, Mr. William Hanlon, Economic and Environmental Officer, OSCE Mission in Georgia.

Mr. Hanlon referred to a needs assessment study in the zone of Georgian-South Ossetian conflict. That study was accepted by all parties involved. It would result in a donors' conference in Spring. During the ongoing assessment phase, the approach adopted was that economic development, including in the area of transport, could be instrumental in building confidence between the two sides.

Mr. Hanlon explained in details the project's background, objectives, implementation and foreseen outputs, emphasizing that the existence of a shared common approach of the parties involved was required for a successful completion of the assessment.

Following the presentations, a very interesting debate took place with the active intervention of several participants. In general, most of them stressed the importance they were giving to transport development both at the national and international levels and approved the holistic, regional approach to conflict resolution as the correct one, accepting that developing economic ties and transport networks could be sought in a pre-rehabilitation phase of the respective conflicts, and not only as a result of a final resolution. One delegation expressed some reservations and pointed out the risk of addressing transport issues in isolation from the overall context and questioned the validity of creating a new working group on transport, stressing rather the need for close co-operation with other regional or subregional organizations (e.g., UNECE, BSEC, SEEC, Traceca, etc.).

Several interventions focused specifically on the Nagorno-Karabakh conflict, mentioning the current stage in the negotiating process.

Specific areas for possible OSCE action

- The OSCE could promote a holistic approach to the issue of transport in the South Caucasus by integrating the security, economic and regional dimensions. The regional approach should not preclude considering every conflict according to its own specificity.
- The OSCE could advance and work on the assumption that the opening up and development of transport networks can help in the resolution of conflicts.
- The OSCE could play a role in monitoring developments in the region through its field presences. The information could be shared with other relevant international organizations and bodies.
- The OSCE could implement need assessment studies following the example of the one being undertaken in Georgia-South Ossetia. In that regard, it could identify and create networks of experts and convene working groups as appropriate.
- The OSCE could help enhancing the capacities of the ministries of transport of the countries concerned, also with a view to facilitating links among them.

LOG OF CONTRIBUTIONS TO THE FOURTEENTH MEETING OF THE ECONOMIC FORUM

Ref. No.	Date of document	Originator	Title/Content	Lang.
Opening session, Monday, 23 January 2006				
EF.DEL/7/06	23.01.06	Austria/EU	EU opening statement	E
Closing session, Tuesday, 24 January 2006				
EF.DEL/19/06	24.01.06	Belgian Chairmanship	Closing statement	E
EF.DEL/20/06	24.01.06	Austria/EU	EU closing statement	E
EF.DEL/21/06	24.01.06	Kazakhstan	Statement by Mr. Aliyev, First Deputy Minister for Foreign Affairs	E
EF.DEL/23/06	24.01.06	Kazakhstan	Closing statement	E
EF.DEL/25/06	24.01.06	Turkey	Closing statement	E
EF.DEL/28/06	24.01.06	Armenia	Closing statement	E
Plenary session I: The role of transport in fostering economic integration at the pan-European level as well as between Europe and Asia				
EF.DEL/1/6	23.01.06	European Commission	Keynote presentation by Mr. Thielmann, Head of Division, DG TREN	E
EF.DEL/6/06	23.01.06	Russian Federation	Statement by Mr. Yakovenko, Deputy Minister for Foreign Affairs	E/R
EF.DEL/8/06	23.01.06	GUAM	Statement by Azerbaijan on behalf of GUAM	E
EF.DEL/10/06	23.01.06	Norway	Statement	E
EF.DEL/18/06	23.01.06	Greece	Statement	E
EF.DEL/26/06	23.01.06	Armenia	Statement	E
EF.IO/2/06	23.01.06	Energy Charter	Written contribution by Mr. Mernier, Energy Charter Secretariat	E
EF.IO/4/06	23.01.06	UNECE	Keynote presentation by Mr. Ferrer, Director, Transport Division	E
EF.IO/5/06	23.01.06	UNECE	Background information by Mr. Ferrer	E
EF.IO/8/06	23.01.06	UNECE	Written contribution by Mr. Garonna, Officer-in-Charge	E
EF.NGO/1/06	23.01.06	Brookings Institution	Keynote presentation by Mr. Linn, Executive Director of the Wofensohn Initiative	E
Plenary session II: Obstacles and challenges to transport development — the OSCE's role				
EF.DEL/3/06	23.01.06	Japan	Presentation by Mr. Tsuchiya, Chief Representative of the Japan Bank for International Co-operation	E
EF.IO/1/06	23.01.06	EBRD	Keynote presentation by Mr. Puliti, Director, Transport Department	E
EF.IO/3/06	23.01.06	UN	Keynote presentation by Mr. Chowdhury, UN Under-Secretary-General and High Representative	E
EF.IO/7/06	23.01.06	ECMT	Keynote presentation by Mr. Short, Secretary General	E
EF.IO/10/06	23.01.06	CEI	Intervention by Mr. Vencel, Slovak National Co-ordinator, CEI Slovak Presidency in 2005	E
EF.IO/11/06	23.01.06	World Bank	Written contribution by Mr. Konishi, Sector Manager	E
EF.IO/14/06	23.01.06	World Bank	Keynote presentation by Mr. Kaufmann, Director, Global Programmes	E
EF.NGO/2/06	23.01.06	IRF	Presentation by Mr. Pearce, Director General	E
Panel Discussion 1: South-Eastern Europe (SEE) — How the Stability Pact has become a catalyst for regional co-operation in transport, and the lessons for the OSCE				
EF.DEL/2/06	24.01.06	Business Advisory Council for SEE	Keynote presentation by Mr. Fumagalli Romario, Chairman	E
EF.DEL/5/06	23.01.07	Bosnia and Herzegovina	Keynote presentation by Mr. Bajrambasic, Assistant Minister for Communications and Transport	E

Ref. No.	Date of document	Originator	Title/Content	Lang.
EF.DEL/12/06	24.01.06	Austria	Intervention by Mr. Adelsberger, Ministry of Transport of Austria	E
EF.DEL/13/06	24.01.06	Croatia	Presentation by Mr. Jurisic, Assistant Minister, Ministry of the Sea, Tourism, Transport and Development	E
EF.IO/6/06	24.01.06	Stability Pact	Keynote presentation by Mr. Guye, Director for South East Europe	E
Panel Discussion II: Central Asia and Euro-Asian links — How can political dialogue on transport issues and concrete projects in the transport sector under OSCE auspices contribute to regional co-operation and security?				
EF.DEL/11/06	23.01.06	Georgia	Statement by Mr. Natbiladze, Deputy Foreign Minister of Georgia	E
EF.DEL/14/06/ Corr.1	24.01.06	Kazakhstan	Contribution by Bekmagambetov, National Secretary of the Research Institute of Transport and Communication	E/R
EF.DEL/15/06	24.01.06	Tajikistan	Presentation by Mr. Ashurov, Minister of Transport	E/R
EF.DEL/4/06	20.01.06	USA	National presentation by Jim DeHart on Central and South Asia Economic Integration	E
EF.IO/9/06	24/01/06	EURASEC	Keynote presentation by Mr. Sologybov	E/R
EF.IO/12/06	24.01.06	World Bank	Contribution by Mr. Kerali and Mr. Kenny	E
EF.IO/13/06	24.01.06	World Bank	Keynote presentation by Mr. Guitink, Senior Transport Specialist	E
EF.IO/15/06	24.01.06	World Bank	Contribution by Mr. Guitink, Senior Transport Specialist	E
Panel Discussion III: OSCE political dialogue and unresolved transport issues in the South Caucasus region and in Eastern Europe				
EF.DEL/9/06	24.01.06	Armenia	Presentation by Mr. Ghazaryan and Mrs. Belubekyan, Armenia	E
EF.DEL/17/06	24.01.06	Armenia	Statement by Mr. Beglaryan, First Deputy Minister of Transport and Communication	E/R
EF.DEL/22/06	24.01.06	Afghanistan	Statement by Mr. Alikhail	E
EF.DEL/24/06	24.01.06	Azerbaijan	Contribution by Mr. Panahov, Deputy Minister of Transport	E/R
EF.DEL/27/06	24.01.06	Armenia	Statement	E
EF.GAL/4/06	24.01.06	OSCE Mission to Georgia	Presentation by Mr. Hanlon, Economic and Environmental Officer	E
EF.GAL/1/06/ Rev.1	16.01.06	CiO Belgium	Annotated agenda	E/R
EF.GAL/2/06/ Rev.1	19.01.06	CiO Belgium	Agenda and Work Programme	E
EF.GAL/3/06	20.01.06	ENVSEC	Contribution by ENVSEC	E
EF.INF/1/06/ Rev.2	17.01.06	Conference Services	Provisional list of participants	E
PC.DEC/684	7.07.05	CiO Slovenia	Permanent Council Decision No. 684, Theme, Format and Organizational Modalities for the Fourteenth Economic Forum	E
SEC.GAL/8/06	19.01.06	OCEEA	Issues Paper on Transport Development in South Caucasus	E
SEC.GAL/237/05	24.11.05	OCEEA	Tentative outline — First part of the Fourteenth OSCE Economic Forum	E
SEC.GAL/249/05	15.12.05	OCEEA	Tentative agenda for the Fourteenth OSCE Economic Forum: Part I, Vienna, 23 and 24 January 2006	E
SEC.GAL/250/05	15.12.05	OCEEA	Logistical modalities for the Fourteenth OSCE Economic Forum: Part I, Vienna, 23 and 24 January 2006	E
SEC.GAL/251/05	15.12.05	OCEEA	Document on the possible role of the OSCE in addressing transport-related issues in the context of the Fourteenth Economic Forum	E/R
CIO.GAL/136/05	23.09.05	Incoming Belgian Chairmanship	Introductory Note: Transportation in the OSCE area: secure transportation networks and transport development to enhance regional economic co-operation and stability for the 49th (Special) Meeting of the EESC on 7 October 2005	E
		OCEEA	Newsletter 1/2006	E/R